In the Claims:

Please cancel claims 13-16 without prejudice.

1. (Previously presented) An electronic messaging system including a mail server which sends and receives messages, said mail server including a watermark reading program that reads watermarks in said messages, the program operable to read watermarks in documents that form at least part of the messages and operable to read watermarks in documents attached to the messages, and the program operable to control distribution of said messages in response to data in said watermarks.

2. (Previously presented) A system that includes an e-mail server connected to the Internet, the system comprising:

means for transmitting messages from an individual user to said e-mail server,

watermark detecting means for detecting and reading watermarks in e-mail messages at the server after the messages are sent from the user but before such messages are transmitted from said e-mail server to the Internet,

means for preventing the transmission of messages from said e-mail server to the Internet if said watermark detecting means detects a watermark which has an indication that the message including said watermark is confidential.

3. (Previously presented) A system for controlling the distribution of electronic messages that include confidential information, each electronic message having confidential information including a digital watermark carrying data that indicates that the message is confidential, a

server which transmits and receives messages, said server including a watermark reading

program that reads watermarks in messages and controls the distribution of such messages in

accordance with the data carried by watermarks in the messages, the program operable to read

watermarks in documents that form at least part of the messages and operable to read watermarks

in documents attached to the messages.

4. (Previously presented) The system recited in claim 3 where the messages are

transmitted over the Internet.

5. (Previously presented) A method of controlling the distribution of electronic messages

that include confidential information, said messages carrying digital watermarks that carry data

indicating that the message includes confidential information,

passing messages to a watermark detecting process prior to transmission of said messages

including passing documents in and attached to the messages to the watermark detecting process

for detecting watermarks in the documents, and

controlling the distribution of an electronic message which includes a watermark in response to

the data carried by the watermark in the message.

6. (Original) The method recited in claim 5 wherein said messages are transmitted over

the Internet.

7. (Previously presented) The method recited in claim 5 wherein a database is interrogated to determine an action to take with a particular message based at least in part on the data carried by the watermark.

8. (Previously presented) The method recited in claim 5 wherein the action taken with respect to a particular message is dependent on the identity of the sender, the identity of the receiver and information carried by the watermark.

9. (Previously presented) The method recited in claim 5 wherein an action taken with respect to a particular message is dependent on the identity of the sender, the identity of the receiver, information carried by the watermark, and information stored in a database.

10. (Previously presented) A method of transmitting electronic messages from a sender to a receiver which comprises,

detecting and reading digital watermarks carried in such messages to determine how flags in such watermarks are set,

interrogating a database to determine what action should be taken with a message based upon the identity of the sender, the identity of the receiver and the flag settings in the watermark in the message.

11. (Previously presented) The method recited in claim 10 wherein said messages are transmitted over the Internet.

12. (Previously presented) The method recited in claim 10 where the data carried by said watermark indicates if the message includes confidential information.

13-16 (Cancelled)